

consecutive Delivery Weeks) to revise its projections concerning its Total Production of Market Hogs during the remainder of the Periods by preparing and delivery to Morrell a Projection Certificate at least two (2) weeks prior to its effective date. Upon Morrell's receipt of a Projection Certificate at any time and from time to time after the date of this Agreement, the projections included in such certificate shall supersede all prior projections.

(e) Notwithstanding the forgoing, Producer shall, on or before January 15 in each calendar year during the Term or any renewed or extended term hereof, prepare and deliver to Morrell a Projection Certificate that shall be effective as of January 1 in the year such certificate is prepared and delivered. This Projection Certificate shall not count as one of the four Projection Certificates permitted by Section 3(d).

SECTION 4. QUALITY. Producer agrees to raise and supply to Morrell top quality, healthy and wholesome hogs. Producer shall have a genetic program capable of producing lean, uniform sorted hogs that consistently meet the quality standards of Morrell in existence from time to time. Without limiting the generality of the foregoing, Producer represents and warrants to Morrell and agrees as follows:

(a) All deliveries of Market Hogs shall meet or exceed the specifications for weight, NPPC level, and average lean yield set forth on Schedule B attached hereto and incorporated by reference herein.

(b) No hogs shall be accepted for delivery pursuant to this Agreement that weigh less than two hundred ten (210) pounds or that are crippled, lame, sick, overfilled, or otherwise unmerchantable.

(c) Producer shall maintain Morrell-approved facilities to farrow and finish hogs year-round.

(d) Producer shall use a Morrell-approved feeding program and shall allow Morrell a reasonable opportunity upon prior written notice to inspect its hogs and facilities.

(e) Producer shall be supervised by a licensed veterinarian and shall properly administer all applicable drugs and follow all appropriate withdrawal procedures applicable thereto.